

# Menwell Limited

Registered Number  
11476975  
(England and Wales)

Unaudited Financial Statements for the Year Ended  
31 December 2020

**Menwell Limited**  
**Company Information**  
for the year from 1 January 2020 to 31 December 2020

**Directors** K Murphy (Appointed on 11/03/2021)

G L Pallis

**Registered Address** 110 Clifton Street

London

EC2A 4HT

**Registered Number** 11476975 (England and Wales)



<b>Shareholders' funds</b>	( 3,671,003 )	(241,592)
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The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Board of Directors on 23 August 2021, and are signed on its behalf by:

G L Pallis  
**Director**  
**Registered Company No. 11476975**

# Menwell Limited

## Notes to the Financial Statements for the year ended 31 December 2020

### 1. STATUTORY INFORMATION

Menwell Limited is a private company, limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2. COMPLIANCE WITH APPLICABLE REPORTING FRAMEWORK

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

Preparation of consolidated financial statements

The company has exercised the exemption set out in s399 Companies House Act 2006 not to prepare consolidated accounts for the whole group.

During the year there was no ultimate controlling party.

### 3. PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of the sale of mens healthcare and pharmaceutical products.

### 4. BASIS OF MEASUREMENT USED IN FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention.

### 5. ACCOUNTING POLICIES

#### Functional and presentation currency policy

The presentation currency of the financial statements is the Pound Sterling (£).

#### Turnover policy

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

## **Property, plant and equipment policy**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer Equipment: 33.33% on straight line

Office Equipment: 33.33% on straight line

Fixtures & Fittings: 25% on straight line

Plant & Machinery: 15% on straight line

## **Intangible assets policy**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks are being amortised evenly over their estimated useful life of five years.

Computer software is being amortised evenly over its estimated useful life of ten years.

## **Inventories policy**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

## **Revenue recognition policy**

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

## **Research and development policy**

Expenditure on research and development is written off in the year in which it is incurred.

## **Foreign currency translation and operations policy**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

## **Leases policy**

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

## **Investments policy**

Investments in subsidiary undertakings are recognised at cost.

## **Employee benefits policy**

Contributions to defined contribution plans are expensed in the period to which they relate.

The company operates an share option equity-settled compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to reserves because the share options are equity-settled.

## **Valuation of financial instruments policy**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

## Going concern

The financial statements have been prepared on a going concern basis. The company incurred trading losses during the year. The directors, however, were successful in attracting further investment after the year end and hence believe the company has sufficient resources to meet its obligations, if and when, they become due. They are therefore of the opinion that they should continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered the impact of the COVID 19 pandemic on the activities of the business and do not consider that this will materially impact the ability of the company to trade profitably in future.

## 6. CRITICAL ESTIMATES AND JUDGEMENTS

Share based payments as set out in note 5 to the accounts have been made to the employees of the company. As disclosed in the Share Based Payments accounting policy note below, the fair value of any vested share options is recognised in the income statement and for the accounting year ended 31 December 2020, the fair value has been estimated as £10.83 per share. This is based on the value of Ordinary shares issued.

There have been no other significant judgements or estimates applied to the numbers contained within these financial statements.

## 7. EMPLOYEE INFORMATION

### Share Based Payments

The company operates an EMI qualifying share option scheme. As at the date of the Statement of Financial Position, the parent company had granted 221,420 EMI qualifying share options to 18 employees of the company at an exercise price of £1.08 per share. As at the year end 58,680 share options vested, 106,419 share options lapsed and 188 were exercised. Share options vest over 4 years with a 12 month cliff.

	<b>2020</b>	<b>2019</b>
Average number of employees during the year	19	13

## 8. INTANGIBLE ASSETS

	Other £	Total £
<b>Cost or valuation</b>		
At 01 January 20	8,885	8,885
At 31 December 20	<u>8,885</u>	<u>8,885</u>
<b>Amortisation and impairment</b>		
At 01 January 20	702	702
Charge for year	889	889
At 31 December 20	<u>1,591</u>	<u>1,591</u>
<b>Net book value</b>		
At 31 December 20	<u>7,294</u>	<u>7,294</u>
At 31 December 19	<u>8,183</u>	<u>8,183</u>

## 9. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery £	Fixtures & fittings £	Office Equipment £	Total £
<b>Cost or valuation</b>				
At 01 January 20	44,575	1,523	28,974	75,072
Additions	-	586	4,806	5,392
At 31 December 20	<u>44,575</u>	<u>2,109</u>	<u>33,780</u>	<u>80,464</u>
<b>Depreciation and impairment</b>				
At 01 January 20	4,942	180	7,769	12,891
Charge for year	6,694	494	10,135	17,323
At 31 December 20	<u>11,636</u>	<u>674</u>	<u>17,904</u>	<u>30,214</u>
<b>Net book value</b>				
At 31 December 20	<u>32,939</u>	<u>1,435</u>	<u>15,876</u>	<u>50,250</u>
At 31 December 19	<u>39,633</u>	<u>1,343</u>	<u>21,205</u>	<u>62,181</u>

## 10. FIXED ASSET INVESTMENTS

	<b>Investments in group undertakings and participating interests £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
Additions	1,375	1,375
At 31 December 20	<u>1,375</u>	<u>1,375</u>
<b>Net book value</b>		
At 31 December 20	<u>1,375</u>	<u>1,375</u>
At 31 December 19	<u>-</u>	<u>-</u>

## 11. DESCRIPTION OF FINANCIAL COMMITMENTS OTHER THAN CAPITAL COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

Within one year - £Nil (2019 - £123,830)

## 12. DESCRIPTION OF NATURE OF TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The company has exercised the exemption not to disclose information relating to group companies.

## 13. DESCRIPTION OF EVENT AFTER REPORTING DATE

On the 11th March 2021, the company issued 552,660 Series A-1 Shares for a total consideration of £11,998,249. On the same date, all outstanding convertible loan notes were converted into a total of 259,065 Series A-2 Shares. On the 19th April 2021, the company issued a further 46,060 Series A-1 Shares for a total consideration of £998,385.

## 14. FURTHER INFORMATION REGARDING THE COMPANY'S FINANCIAL POSITION

There is a fixed and floating charge on the assets of the company held by Silicon Valley Bank and this was filed at Companies House on 24 March 2020.

## 15. INVENTORIES

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other inventories	207,736	171,278
Total	<u>207,736</u>	<u>171,278</u>

## 16. DEBTORS

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	125,360	-
Other debtors	537,038	360,120
Total	<u>662,398</u>	<u>360,120</u>

## 17. CREDITORS WITHIN ONE YEAR

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors / trade payables	150,030	124,627
Taxation and social security	37,140	28,384
Other creditors	5,291,918	4,475,403
Accrued liabilities and deferred income	388,506	177,779
Total	<u>5,867,594</u>	<u>4,806,193</u>

## 18. CREDITORS AFTER ONE YEAR

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	600,000	-
Total	<u>600,000</u>	<u>-</u>

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